

# **MOZAMBIQUE 154**

## **News reports & clippings**

**4 June 2009**

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### **NO CHARGES IN SIBA-SIBA CASE**

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## **NO CHARGES IN SIBA-SIBA MURDER & AUSTRAL THEFTS**

The two people held in relation to the murder of Antonio Siba-Siba Macuacua on 11 August 2001 were released on 22 May and the charges dropped. This means no one has been charged for the ruinous management of Banco Austral in 1998-2000 or the assassination of Siba-Siba, the Bank of Mozambique head of banking supervision put in to clean up the mess in 2001. It is widely believed that improper loans were made to senior Frelimo figures and some of the money was used to fund the Frelimo party's 1999 election campaign.

Benigno Parente Junior had been director of credit, and in April 2001 was appointed to the three member interim board led by Siba-Siba. Jose Passaje was a security guard at the bank headquarters. The accusation against Passaje was that after accompanying Siba-Siba to his office on the 15th floor on the day of the murder, he waited on the 16th floor for others to join him, and carry out the assassination. On 22 May the investigating magistrate, Paulo Cinco Reis, dismissed the case against the two. They had been held since 8 December 2008.

The prosecution had said Passaje was waiting for Luis Cabeça Viegas, a Portuguese official at Austral, who was always a suspect in the murder but who, against the wishes of the Criminal Investigation Police (PIC), was allowed to go on holiday in Lisbon. He never came back.

In its report (attached) AIM points to an interesting remark by the investigating magistrate that it had been "sufficiently proved" that, in the days immediately before and after the murder, from 9 to 12 August 2001, there were a considerable number of phone calls between Octavio Muthemba and Nyimpine Chissano. Muthemba, a former Minister of Industry, was appointed chairman of the Austral Board when the bank was privatised in 1997. Under Muthemba's management Austral embarked on a wave of reckless lending, and the bank collapsed under the weight of bad loans. AIM notes that in 1998 Muthemba employed Nyimpine Chissano, the oldest son of the then President Joaquim Chissano, as a consultant on a fee of \$3,000 a month. In April 2001, three weeks after he was appointed interim chair of Austral, Siba-Siba cancelled Nyimpine's contract. Nyimpine Chissano died of a heart attack in November 2007.

Siba-Siba had published a list of the names of some of the 1,200 debtors in *Noticias*. Some prominent borrowers were not included in the published list, but it is known that before he was killed, he was actively trying to collect on loans that were not being repaid. (AIM and Noticias, 25 May 2009, attached)

## **IS US TRYING TO BLACKMAIL MOZAMBIQUE OVER DOCTORS?**

The US acting ambassador Todd Chapman warned that unless the government accepts 40 US and US-appointed health workers, then US funding for health programmes, notably in HIV/AIDS, would be cut. According to reports in the Mozambican press, Chapman made the threat in a Radio Moçambique interview two weeks ago. *O Pais* on 22 May said the threat had been confirmed by the US embassy press attache, Kristin Kane. Later, in an adjusted statement, she confirmed that should the Mozambicans deny entry to the foreign doctors there is the possibility that some programs financed by the US government may close.

In the following week the story became more confused. Kane continued to insist that there were 40 people and that Mozambique was making the public suffer by denying doctors for the people. But Labour Minister Helena Taipo and Health Minister Ivo Garrido said the request had been for only 20 people, and although some were doctors, they were all to work as administrators for US NGO HIV/AIDS projects. Garrido in a press conference on 28 May stressed these were managers and technicians, and that the government welcomed any country that wanted to send doctors to directly treat sick people.

Chapman said the US had been waiting for year for approval, but Taipo said the application for the 20 had only been made in November 2008, not a year ago, and after negotiation the number was reduced to 11. Taipo said they had to produce documents to prove their qualifications, and the US embassy had so far failed to do this – so it was the US and not Mozambique which was delaying the deployment.

Kirstin Kane in her comments said the real problem was Mozambique's labour law, which restricts the employment of foreigners. In an angry editorial, *Noticias* thought this a "strange" comment coming from the US, which demands that rules applying to foreigners be strictly complied with, and imposes "harsh surveillance of foreigners". This is another example of the rich trying to humiliate the poor, it said. (*Noticias*, AIM, *O Pais*, *Savana*, 20, 22, 28, 29 May 2009; the Mozambican Investor 2 June 2009)

## **TETE GOVERNOR'S DEATH THREAT TO JOURNALIST**

Tete governor Ildefonso Muanantatha "threatened the physical integrity" of *Noticias* journalist Bernardo Inacio Carlos in a manner that is a "grave threat" to the freedom of the press, the media regulatory body CSCS (Conselho Superior da Comunicação Social, Higher Mass Media Council) ruled on 30 April.

The CSCS said that at a public events on 16 March the governor told Carlos "you are provoking me" and "eventually I will react". He continued: "you have a family that could suffer because of the articles you write." The next day, again in public, he said to a group of journalists "you should be careful about what you write", and turned to Carlos and said "do you know how your colleague Carlos Cardoso disappeared?" Cardoso was gunned down in 2001, and the son of the president was accused of ordering the killing.

The CSCS “suggested” to the governor that he withdraw the threat and apologise. So far, the governor has not responded, and there have been no public criticisms of his actions by government.

But in an unusual part of the ruling, the CSCS is highly critical of the two journalists associations, the National Journalists Union and MISA-Moçambique, for their lack of “a spirit of solidarity and cohesion between colleagues” and failing to support Carlos.

AIM notes that four other journalists witnessed the governor’s threats but the three of them employed by state media - Amarildo Romao and Rosario Saide of Mozambique Television (TVM), and Alberto Camacho of Radio Mozambique – signed a letter saying that at no time did they hear the governor threatening Carlos. However, the fourth witness, Domingos Pascoal of the Beira daily “Diario de Mocambique”, fully backed up the version of events as told by Carlos, and the CSCS decided that he and Carlos were telling the truth. Noticias is state-owned, and published the ruling in full.

MISA-Mozambique took two contradictory positions. The Maputo head office condemned “unreservedly” the governor’s threats. But the chair of the Tete MISA group, Jossefa Macadona, who is press attaché of the Tete provincial government, denied that any threats were made. (Noticias and AIM, 19 May 2009, attached)

## **CARRILHO TO CONSTITUTIONAL COUNCIL**

Supreme Court Judge Jose Norberto Carrilho has been appointed to the Constitutional Council, which has the final word in constitutional law and election matters. The 54-year-old Carrilho is one of the most experienced figures in the Mozambican judiciary. He started his career as a prosecutor in 1976, just a year after independence. He was presiding judge in the Sofala Provincial Court from 1978 to 1980, and from 1980 to 1988 he was a member of the Higher Appeals Court. When the Supreme Court was set up in 1988, Carrilho became a member.

Members of the Constitutional Council serve for five years. Carrilho was appointed by the Higher Judicial Council (Conselho Superior da Magistratura Judicial, CSMJ). The new Constitutional Council chair, Luis Mondlane, is also a former Supreme Court judge, and was appointed by President Armando Guebuza. The other five members are appointed by parliament (3 Frelimo and 2 Renamo) and this must be done during the current sitting of the Assembly.

Meanwhile, Supreme Court judge Joao Carlos Trindade is also retiring, leaving the Supreme Court with just six judges. Appointments are made by the President, from a list supplied by the CSMJ. (AIM 19 May 2009)

## **COAL: Power station Industry association**

Vale, the Brazilian mining giant which is leading the development of coal mining in Tete, says it hopes to start construction of its first coal-fired power station in March 2010, to open in December 2012. Speaking on 1 June, a Vale spokesperson said the power station would meet Mozambican and World Bank environmental rules, and have special controls on ash and sulphur. But it will not have controls on carbon emissions, which are the main contribution to global warming. Vale plans to export the high quality coking coal, but this requires first removing lower quality thermal coal which it wants to burn in the power station. Eventually, the power station will have a generating capacity of 1,800 megawatts; it will burn 2.5 million tonnes of thermal coal a year to produce 4,430 gigawatt-hours per year.

Meanwhile, under pressure from the government, the coal mining companies have finally set up an association to deal collectively with the government, Associação Moçambicana para o Desenvolvimento do Carvão Mineral (AMDCM). It includes the two biggest and most active companies, Vale and Riversdale. Vale had been notably absent from government organised public meetings with the coal companies, and there has been a lack of cooperation, particularly on creating transport capacity for a projected 25 million tonnes a year of coal. The government reports that 112 coal exploration and mining licences have been issued to 45 foreign and national companies.

## **IN BRIEF:**

**ANGOICHE ADMINISTRATOR SACKED:** Angoiche administrator Jose Carlos Amade has been suspended following complaints by local residents to President Guebuza during a visit in May. It is alleged that Amade had misused funds from the Local Initiative Investment Budget (OILL), including giving public works contracts to his son. Amade had been transferred from Meucate after he was accused there by local people of using OILL money for his personal benefit. (Noticias & AIM 26 May 2009)

**REFINERY VICTIM OF CRISIS:** A planned \$5 billion oil refinery in Nacala seems unlikely to go ahead, as the proposed consortium can no longer find the money. Meanwhile BHP Billiton has been given a two year deadline to make a decision about the Chibuto heavy sands (titanium) project, now suspended for lack of money. (Noticias 22 May 2009)

**CALL FOR DEVELOPMENT BANK:** During his visit to Zambezia in May, the main pre-occupation presented to President Armando Guebuza by farmers and small business people was the need for a development bank, according to Noticias. (23 May)

**TRAINS BUT NO FREIGHT:** Trains have resumed running along a 320 kilometre stretch of the railway from the port of Beira to Sena town on the south bank of the Zambezi river. This is part of the rebuilding of the entire 673 km line to Moatize, being carried out by the Indian Rites and Ircon consortium. A branch line to the sugar town of Marromeu opened late last year, but the Sena sugar estates is not using the line, and continuing to ship sugar to Beira by road and barge; the company claims this is cheaper than the "unsustainable" rates proposed by the railway. (AIM 19 & 26 May 2009)

**FEW JOB LOSSES YET:** The global financial crisis has not yet resulted in mass sackings of Mozambican workers, according to the trade union federation OTM, which represents 60% of the unionised workers. "The only company which has sacked workers on the pretext of the financial crisis is Mozal, which has sacked about 60 workers", said OTM spokesperson Francisco Mazoio. (AIM, 22 May 2009)

**NO CHICKEN SUBSIDY:** There can be no subsidy for local chicken production, and the only thing to do is to bring production costs down, Industry and Commerce Minister Antonio Fernando told parliament on 26 May. Mozambique imports 1800 tonnes of frozen chicken a month, at a cost of \$1200 per tonne from Brazil and \$1400 per tonne from South Africa, according to Noticias (27 May). To lower the cost of local chicken production to make it competitive, the government is supporting the expansion of soya production for feed, and has lent \$1.2 million at 10% interest to the Uniao Geral de Cooperativas (UGC) in Maputo to upgrade their chicken production and processing.

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**Mozambique media websites:**

Noticias: [www.jornalnoticias.co.mz](http://www.jornalnoticias.co.mz)

O Pais: [www.opais.co.mz](http://www.opais.co.mz)

Savana: [www.savana.co.mz](http://www.savana.co.mz)

Canal de Moçambique: [www.canalmoz.com](http://www.canalmoz.com)

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